

What is claimed is:

1. An apparatus for computing a preferred set of prices for a plurality of products, comprising:

an econometric engine for modeling sales as a function of price to
5 create a sales model;

a financial model engine for modeling costs to create a cost model; and

an optimization engine coupled to the econometric engine and
financial model engine to receive input from the econometric engine and
financial model engine, wherein the optimization engine generates the
10 preferred set of prices.

2. The apparatus, as recited in claim 1, wherein the optimization engine
comprises:

a rule tool, which stores a plurality of rule parameters; and
15 a price calculator connected to the rule tool, the financial model
engine, and the econometric engine, wherein the price calculator determines
the preferred set of prices based on rule parameters, the sales model, and the
cost model.

20 3. The apparatus, as recited in claim 2, further comprising a support tool
connected to the optimization engine wherein the support tool receives the
preferred set of prices from the optimization engine and provides a user
interface to a client, wherein the user interface provides the preferred set of
prices to the client.

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4. A method for determining a preferred set of prices for a plurality of products, comprising:

creating a sales model;

creating a cost model; and

5 generating the preferred set of prices for the plurality of products based on the sales model and cost model.

5. The method, as recited in claim 4, wherein the creating of the sales model comprises:

10 creating a plurality of demand groups, wherein each demand group is a set of at least one product and wherein at least one of the demand groups is a set of at least two products;

creating a sales model for each demand group; and

creating a market share model for each product in each demand group.

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